

# Research Markets Today

7 November 2025

## Events Round-Up

JN: Schd. FT pay - same base (y/y%), Sep: 2.2 vs. 2.4 prev.

AU: Trade balance (\$b), Sep: 3.9 vs. 4.0 exp.

GE: Industrial production (m/m%), Sep: 1.3 vs. 3.0 exp.

UK: Bank of England Bank Rate (%), Nov: 4.0 vs. 4.0 exp.

## Good Morning

US Treasuries reversed the previous day's selloff, with the market supported by some soft US labour market reports, with rates down about 5-8bps for the day. US equities are down 1%. The risk-off mood has seen the NZD and AUD underperform, both falling about 0.6% overnight.

Yesterday we noted that given the lack of official data through the US government shutdown second-tier private sector data were having an unusually large influence on the bond market, and we can say the same today.

Challenger and Co's monthly report on job losses showed employers announced 153k job cuts in October, the highest October month since 2003, led by cost-cutting and AI-driven restructuring in tech, warehousing, and retail. For the year to October, the figure of 1.1m was up 65% from the previous year. Hiring plans were also weak, with year to October figure of 488k down 35% over the previous year. Revelio Labs data showed the US lost 9100 nonfarm jobs in October after gaining 33k in September.

These soft labour market reports supported US Treasuries, reversing the impact of the stronger ADP payrolls and ISM services reports yesterday. US Treasury yields are down 5-8bps across the curve, with the smallest fall for the 30-year bond and the largest move for the 5-year bond. The 2-year and 10-year rates are down 7bps, the latter falling to 4.08%, back to where it sat prior to the ADP print.

Fed speakers haven't moved the market. Chicago Fed President Goolsbee said he was uneasy about continuing to cut interest rates with a lack of inflation data during the government shutdown, repeating Chair Powell's message of "when it's foggy, let's just be a little careful and slow down". He added that he was concerned about the tick up in core services inflation in September.

Cleveland Fed President Hammack, one of the most hawkish FOMC members, said inflation is the more

pressing concern and it wasn't obvious that monetary policy should do more at this time.

The BoE left its policy rate at 4.0%, as widely expected, but it was a close call, with a 5-4 split vote, with Governor Bailey casting the deciding vote to hold. The statement repeated the line that rates are on a "gradual downward path" but removed the word "careful". Governor Bailey said he wants to see more data showing a sustainable disinflationary path before becoming more comfortable with voting for another rate cut.

Net market reaction to the BoE decision was muted, with global forces taking over. Some 18bps of cuts are priced for December, and just over two full rates cuts priced through the year-ahead. Governor Bailey endorsed market pricing, saying the current market curve "shows a sensible path".

US equities are weaker, continuing the whipsaw action seen each day this week. The S&P500 is down 1% in early afternoon trading, while the Nasdaq index is down 1½%, with IT stocks under particular pressure.

The risk-off mood has seen the NZD and AUD underperform. The NZD is down 0.6% overnight to 0.5635 and the AUD has shown a similar fall to 0.6480, leaving NZD/AUD steady near 0.87. The yen's safe-haven status has seen USD/JPY fall below 153 and NZD/JPY shows a chunky fall towards 86. Both EUR and GBP are modestly stronger against the USD, with European yields not falling to the same extent as the US. The NZD is down significantly on these crosses, to 0.4880 and 0.4290 respectively.

Yesterday, domestic rates were pushed higher by global forces, with NZGB yields closing up 2-4bps. There was decent demand at the weekly bond tender, albeit not as strong as in recent weeks. In the swaps market the 2-year rate rose 1bp to 2.57% while the 10-year rate rose 4bps to 3.68%. Since the NZ close, the Australian 10-year bond future is down 5bps in yield terms, which will result in downward pressure on NZ rates from the open.

On the economic calendar today will be China trade data, ahead of Canada's employment report and the University of Michigan consumer survey tonight.

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## Coming Up

|    |                                     | Period | Cons. | Prev. | NZT   |
|----|-------------------------------------|--------|-------|-------|-------|
| CH | Exports (USD, y/y%)                 | Oct    | 2.8   | 8.3   |       |
| CH | Imports (USD, y/y%)                 | Oct    | 2.5   | 7.4   |       |
| CA | Unemployment rate (%)               | Oct    | 7.1   | 7.1   | 02:30 |
| US | U. of Mich. consumer sent.          | Nov    | 53    | 53.6  | 04:00 |
| US | U. of Mich. 5-10 Yr inflation exps. | Nov    | 3.8   | 3.9   | 04:00 |
| US | NY Fed 1yr inflation expectations   | Oct    |       | 3.38  | 05:00 |

| Currencies                                                                            |        |                                 |        |        |                       |          |         | Equities            |        |       |        | Commodities                      |        |         |
|---------------------------------------------------------------------------------------|--------|---------------------------------|--------|--------|-----------------------|----------|---------|---------------------|--------|-------|--------|----------------------------------|--------|---------|
| FX Majors                                                                             |        | Indicative overnight ranges (*) |        |        |                       | Other FX |         | Major Indices       |        |       |        | Price (Near futures, except CRB) |        |         |
|                                                                                       | Last   | % Day                           | Low    | High   |                       | Last     | % Day   |                     | Last   | % Day | % Year |                                  | Last   | Net Day |
| NZD                                                                                   | 0.5635 | -0.5                            | 0.5626 | 0.5670 | CHF                   | 0.8073   | -0.4    | S&P 500             | 6,721  | -1.1  | 13.4   | Oil (Brent)                      | 63.07  | -0.7    |
| AUD                                                                                   | 0.6479 | -0.4                            | 0.6463 | 0.6519 | SEK                   | 9.573    | +0.1    | Dow                 | 46,926 | -0.8  | 7.3    | Oil (WTI)                        | 59.12  | -0.8    |
| EUR                                                                                   | 1.1539 | +0.4                            | 1.1505 | 1.1544 | NOK                   | 10.212   | -0.1    | Nasdaq              | 23,144 | -1.5  | 21.9   | Gold                             | 3989.2 | -0.1    |
| GBP                                                                                   | 1.3124 | +0.6                            | 1.3053 | 1.3125 | HKD                   | 7.775    | +0.0    | Stoxx 50            | 5,611  | -1.0  | 16.9   | HRC steel                        | 847.0  | +0.2    |
| JPY                                                                                   | 153.02 | -0.7                            | 152.83 | 154.01 | CNY                   | 7.120    | -0.1    | FTSE                | 9,736  | -0.4  | 19.2   | CRB                              | 302.3  | -0.6    |
| CAD                                                                                   | 1.4116 | +0.0                            |        |        | SGD                   | 1.304    | -0.2    | DAX                 | 23,734 | -1.3  | 24.7   | Wheat Chic.                      | 550.5  | -3.0    |
| NZD/AUD                                                                               | 0.8697 | -0.1                            |        |        | IDR                   | 16,701   | -0.1    | CAC 40              | 7,965  | -1.4  | 8.1    | Sugar                            | 14.21  | +0.8    |
| NZD/EUR                                                                               | 0.4883 | -0.9                            |        |        | THB                   | 32.39    | -0.3    | Nikkei              | 50,884 | +1.3  | 29.2   | Cotton                           | 64.81  | -0.6    |
| NZD/GBP                                                                               | 0.4294 | -1.0                            |        |        | KRW                   | 1,449    | +0.6    | Shanghai            | 4,008  | +1.0  | 18.4   | Coffee                           | 379.8  | -3.7    |
| NZD/JPY                                                                               | 86.23  | -1.2                            |        |        | TWD                   | 30.94    | +0.0    | ASX 200             | 8,828  | +0.3  | 7.3    | WM powder                        | 3415   | -0.4    |
| NZD/CAD                                                                               | 0.7954 | -0.4                            |        |        | PHP                   | 58.98    | +0.2    | NZX 50              | 13,577 | -0.3  | 7.9    | Australian Futures               |        |         |
| NZ TWI                                                                                | 65.66  | -0.6                            |        |        |                       |          |         | VIX Index           | 19.89  | +10.4 | +22.2  | 3 year bond                      | 96.33  | -0.03   |
| Interest Rates                                                                        |        |                                 |        |        |                       |          |         |                     |        |       |        | 10 year bond 95.67 0.05          |        |         |
| Rates                                                                                 |        | Swap Yields                     |        |        | Benchmark 10 Yr Bonds |          |         | NZ Government Bonds |        |       |        | NZ BKBM and Swap Yields          |        |         |
|                                                                                       | Cash   | 3Mth                            | 2 Yr   | 10 Yr  |                       | Last     | Net Day |                     |        | Last  | Chg    |                                  | Last   | Chg     |
| USD                                                                                   | 4.00   | 4.85                            | 3.36   | 3.65   | USD                   | 4.09     | -0.07   | 15-Apr-27           |        | 2.58  | 0.00   | BKBM 1-mth                       | 2.54   | -0.03   |
| AUD                                                                                   | 3.60   | 3.64                            | 3.54   | 4.32   | AUD                   | 4.37     | 0.05    | 15-May-28           |        | 2.88  | 0.02   | BKBM 3-mth                       | 2.48   | -0.03   |
| NZD                                                                                   | 2.50   | 2.48                            | 2.57   | 3.68   | NZD                   | 4.13     | 0.04    | 20-Apr-29           |        | 3.07  | 0.02   | 1 year                           | 2.40   | -0.00   |
| EUR                                                                                   | 2.00   | 1.99                            | 2.15   | 2.67   | GER                   | 2.65     | -0.02   | 15-May-30           |        | 3.30  | 0.03   | 2 year                           | 2.57   | 0.01    |
| GBP                                                                                   | 4.00   | 4.11                            | 3.56   | 3.94   | GBP                   | 4.43     | -0.03   | 15-May-31           |        | 3.53  | 0.03   | 3 year                           | 2.75   | 0.02    |
| JPY                                                                                   | 0.48   | -0.03                           | 0.92   | 1.50   | JPY                   | 1.69     | 0.02    | 15-May-32           |        | 3.72  | 0.04   | 5 year                           | 3.08   | 0.03    |
| CAD                                                                                   | 2.25   | 4.97                            | 2.26   | 2.85   | CAD                   | 3.11     | -0.06   | 14-Apr-33           |        | 3.87  | 0.05   | 7 year                           | 3.37   | 0.03    |
|                                                                                       |        |                                 |        |        |                       |          |         | 15-May-34           |        | 4.01  | 0.04   | 10 year                          | 3.68   | 0.04    |
|                                                                                       |        |                                 |        |        |                       |          |         | 15-May-35           |        | 4.13  | 0.04   | 15 year                          | 4.00   | 0.04    |
|                                                                                       |        |                                 |        |        |                       |          |         | 15-May-36           |        | 4.25  | 0.04   | NZ Inflation-Indexed Bonds       |        |         |
|                                                                                       |        |                                 |        |        |                       |          |         | 15-May-37           |        | 4.37  | 0.04   | Sept-30                          | 1.35   | 0.03    |
|                                                                                       |        |                                 |        |        |                       |          |         | 15-May-41           |        | 4.72  | 0.04   | Sept-35                          | 2.22   | 0.04    |
|                                                                                       |        |                                 |        |        |                       |          |         | 15-May-51           |        | 5.01  | 0.04   | Sept-40                          | 2.68   | 0.04    |
|                                                                                       |        |                                 |        |        |                       |          |         | 15-May-54           |        | 5.01  | 0.04   |                                  |        |         |
| * These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer |        |                                 |        |        |                       |          |         |                     |        |       |        |                                  |        |         |
| Rates are as of: NZT 06:53                                                            |        |                                 |        |        |                       |          |         |                     |        |       |        |                                  |        |         |
| Source: Bloomberg                                                                     |        |                                 |        |        |                       |          |         |                     |        |       |        |                                  |        |         |

\* These are indicative ranges from 5pm NZT;  
please confirm rates with your BNZ dealer

Rates are as of: NZT 06:53

Source: Bloomberg

**NZD exchange rates****7/11/2025 6:53 am Prev. NY close**

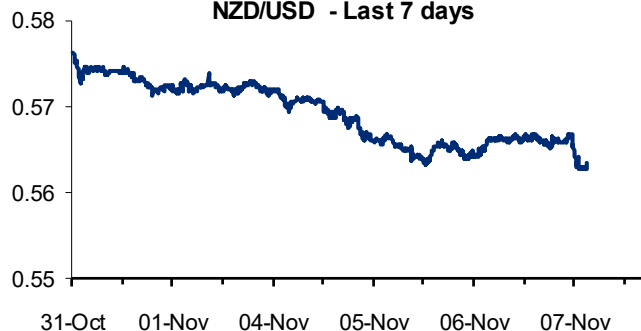
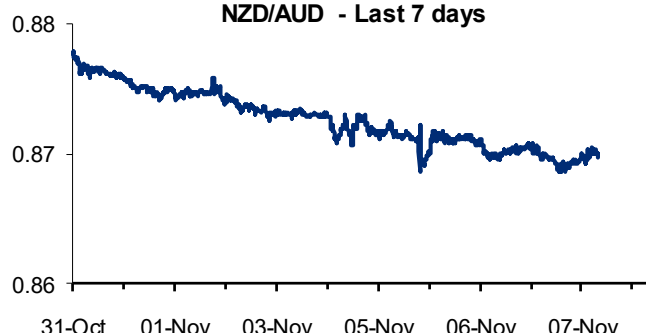
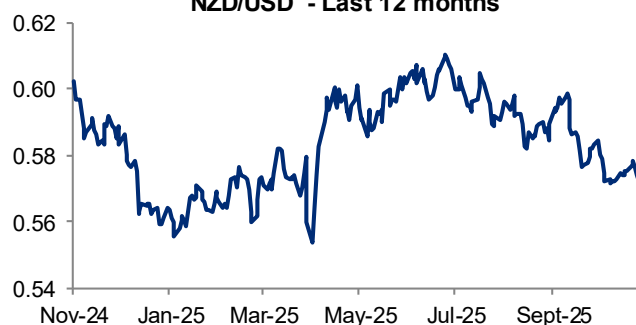
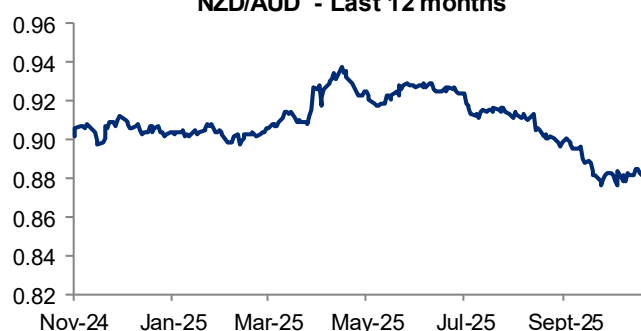
|     |        |        |
|-----|--------|--------|
| USD | 0.5635 | 0.5662 |
| GBP | 0.4294 | 0.4339 |
| AUD | 0.8697 | 0.8704 |
| EUR | 0.4883 | 0.4927 |
| JPY | 86.23  | 87.26  |
| CAD | 0.7954 | 0.7989 |
| CHF | 0.4543 | 0.4587 |
| DKK | 3.6421 | 3.6778 |
| FJD | 1.2873 | 1.2977 |
| HKD | 4.3758 | 4.4019 |
| INR | 49.88  | 50.20  |
| NOK | 5.7545 | 5.7850 |
| PKR | 158.06 | 159.09 |
| PHP | 33.19  | 33.32  |
| PGK | 2.3847 | 2.3800 |
| SEK | 5.3942 | 5.4144 |
| SGD | 0.7345 | 0.7400 |
| CNY | 4.0072 | 4.0352 |
| THB | 18.22  | 18.42  |
| TOP | 1.3088 | 1.3545 |
| VUV | 68.66  | 69.13  |
| WST | 1.5633 | 1.5784 |
| XPF | 58.11  | 58.57  |
| ZAR | 9.7896 | 9.8621 |

**NZD/USD Forward Points**

|          | <b>BNZ buys NZD</b> | <b>BNZ sells NZD</b> |
|----------|---------------------|----------------------|
| 1 Month  | 7.30                | 7.50                 |
| 3 Months | 22.58               | 23.09                |
| 6 Months | 42.68               | 43.68                |
| 9 Months | 60.59               | 62.44                |
| 1 Year   | 74.63               | 77.32                |

**NZD/AUD Forward Points**

|          | <b>BNZ buys NZD</b> | <b>BNZ sells NZD</b> |
|----------|---------------------|----------------------|
| 1 Month  | 8.48                | 8.97                 |
| 3 Months | 28.76               | 30.07                |
| 6 Months | 57.47               | 60.36                |
| 9 Months | 85.75               | 90.42                |
| 1 Year   | 112.26              | 119.93               |

**NZD/USD - Last 7 days****NZD/AUD - Last 7 days****NZD/USD - Last 12 months****NZD/AUD - Last 12 months**

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